

COUNCIL COMMUNICATION

AGENDA TITLE: Communications (June 11, 1992 through June 23, 1992)

MERTING DATE: July 1, 1992

PREPARED BY: City Clerk

RECOMMENDED ACTION:

AGENDA ITEM

RECOMMENDATION

Information only.

BACKGROUND INFORMATION:

The following communication was received between the dates of June 11, 1992 and June 23, 1992.

Notice has been received from the Federal Energy Regulatory Commission that Southern California Edison Company (Edison), Pacific Gas & Electric Company (PG&E), and San Diego Gas & Electric Company (SDG&E) (collectively, the Companies) tendered for filing as a rate schedule, the Coordinated Operations Agreement between Southern California Electric Company, and Participants in the California-Oregon Transmission Project (Docket No. ER92-626-000).

FUNDING: None required.

Alice M. Reimche City Clerk

AMR/jmp

COUNCOM8/TXTA.02J/COUNCOM



Southern Calitornia Ed lson)
Pacific Gas and Electric Company and) Docket No. ER92-626-000
San Diego Gas & Electric Company)

NOTICE OF FILING

(June 12, 1992)

Take notice that on June 9, 1992, Southern California Ediaon Company (Edison), Pacific Gas and Electric Company (PG&E), and San Diego Gas & Electric Company (SDG&E) (collectively, the Companies) tendered for filing as a rate schedule, the cordinated Operations Agreement between Southern California as no Company, Pacific Gas and Electric Company, San Diego Gas & Transmission Project.

The Coordinated Operations Agreement sets forth the rates, terms, and conditions governing the coordinated operation of the Pacific AC Intertie and the California-Oregon Transmission Project for the purpose of exporting and importing pover from and to the Pacific Northwest.

The Companies request that the rate schedule go into effect as soon as possible after passage of the 60-day notice provision sot forth in 18 C.P.R. § 15.3, but in no event later than October 1, 1997.

Copies of the filing were served upon: the California Public Utilities Commission; Western Area Power Administration; Transmission Agancy of Northern California; California Department of Water Resources; Carmichael Water District! Plumas-Sierra Rural Electric Cooperative; Sacramento Municipal Utility District; Modesto Irrigation District; Turlock Irrigation District; the California Cities of Alamsda, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Ukiah, and Vernon; Southern San Joaquin Valley Power Authority: San Juan Suburban Water District; and the Shasta Dam Area Public Utility Strict.

Any person desiring to be heard Or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 825 North Capitol Street, N.E., Washington, D.C. 70426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 388.711 and 18 CPR 385.214). All such motions or protests should be filed on or before June 26, 1992. Protests will be considered

Docket No. ER92-626-000

- 2 -

by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

Linwood A. Watson, Jr. Acting Secretary

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FEDERAL ENERGY REGULATORY COMMISSION WASHINGTON, D.C. 20426

OFFICIAL BUSINESS PENALTY FOR PRIVATE USE, \$300





ER92-626 125784 CITY CLERK LOBI. CITY OF (CA) CITY HALL 221 WEST PINE ST. LODI. CA 95241-1910

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UNITED STATES OF AMERICA FEDERAL ENERGY REGULATORY COMMISSION

Southern California Edison) Pacific Gas and Electric Company)	Docket No.	ER92-626-000
and)		
San Diego Gas & Electric Company)		

ERRATA NOTICE

(June 17, 1992)

NOTICE OF FILING

(Issued June 12, 1992)

First paragraph, line 1, change "June 9, 1992" to read "June 8, 1992".

Lois D. Cashell Secretary

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FEDERAL ENERGY REGULATORY COMMISSION WASHINGTON, D.C. 20426

OFFICIAL BUSINESS PENALTY FOR PRIVATE USE. \$3000 $\|\|\|$



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UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

In the Matter of Pacific Gas and Electric Company)	Docket No.	7 7 7 7 7 7 7	. 2	R
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PROTEST AND MOTION TO INTERVENE OF CITY OF VERNON

The City of Vernon, California ("Vernon") protests the rate schedule filing in this docket pursuant to Rule 211 of the Commission's Rules of Practice and Procedure, 18 CFR Part 385, and, pursuant to Rule 214, moves for intervention in this proceeding. In support of this pleading, Vernon states to the Commission as follows:

- 1. Vernon is a municipal corporation organized and existing pursuant to the laws of the State of California. Vernon owns and operates a system for the generation, purchase, transmission, distribution, and sale of electric capacity and energy within its community. Vernon is a partial requirements wholesale electric power customer of Southern California Edison Company.
- 2. The exact name and post office address of Vernon are as follows:

City of Vernon City Hall 4305 Santa Fe Avenue Vernon, California 90058

Vernon's designations for inclusion of representativas in the Commission's official service list, pursuant to Rules 203(b)(3)

and 2010, are as follows:

David B. Brearley, Esq.
City of Vernon City Attorney
2440 South Hacienda Boulevard
Unit 223
Hacienda Heights, California 91745
Telephone (818) 336-3408

Arnold Fieldman, Esq.
Channing D. Strother, Jr., Esq.
Goldberg, Fieldman & Letham, P.C.
1100 Fifteenth Street, N.W.
Suite 200
Washington, D.C. 20005
Telephone (202) 463-8300

Vernon requests, in addition, that **courtesy** copies of documents be provided to:

Mr. Kenneth DeDario Director of Light & Power City of Vernon City Hall 4305 Santa Fe Avenue Vernon, California 90058 Telephone (213) 583-8811

- 3. Vernon is a participant in the California-Oregon Transmission Project ("COTP") with a transfer entitlement of approximately 7.6% (an estimated 121 MW) thereof and an 8.053% ownership interest. An important value to Vernon of its COTP participation is that it will enable Vernon to enter into purchase and sale transactions with other COTP participants, such as the members of Transmission Agency of Northern California ("TANC").
- 4. This proceeding is on a **tender** for filing by Pacific Gas and Electric Company ("PG&E"), of a proposed rate schedule for COTP transmission service for TANC and its members.
- 5. As a COTP participant, Vernon has an interest in the proceeding. Because Vernon's situation is in substantial respects different from that of the other COTP participants (e.g.,

Vernon is the only COTP participant located south of the southern terminus of COTP), Vernon's interest in the proceeding is unique and cannot be adequately represented by any other COTP participant or other entity. Vernon is particularly concerned about the impact of the proposed rate schedule on Vernon's ability to engage in transactions with TANC's members.

6. Vernon's Washington, D.C. counsel was able only in recent day8 to obtain a copy of the filing in this docket. The scope of the proposed rate schedule and of the proffered evidentiary support thereof is extremely complex. Vernon has not had adequate opportunity for a complete review of the filing and therefore cannot now state the specific bases for its objections thereto. If is obvious, however, that in view of the complexity of the factual presentation of the filing and of the governing principles of law and regulatory policy, an evidentiary hearing should be instituted by the Commission to explore into the filing. Accordingly, Vernon protests the filing and recommends that the Commission establish hearing procedures thereon-

WHEREFORE, in view of all the foregoing, Vernon respectfully protests the filing, requests that the Commission

establish procedures for an evidentiary hearing thereon, and seeks intervention in the proceeding.

Respectfully submitted,

David B. Brearley
City of Vernon, City Attorney
2440 South Hacienda Boulevard
Unit 223
Hacienda Heights. CA 91745
Telephone (818) 336-3408

Arnold Fieldman

Channing D. Strother, Jr.
Goldberg, Fieldman & Letham, P.C.
1100 Fifteenth Street, M.W.
Washington, D.C. 20005
Telephone (202) 463-8300

Attorneys for City of Vernon

June 1992

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing document upon the participants in this proceeding in accordance with the requirements of Rule 2010 of the Rules of Practice and Procedure.

Dated at Washington, D.C. this 29th day of June, 1992.

Arnold Fieldman

UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

In the Matter of)		
Pacific Gas and Electric Company)	Docket No.	ER92-595-000

PROTEST AND MOTION TO INTERVENE OF CITY OF VERNON

The City of Vernon, California ("Vernon") protests the rate schedule filing in this docket pursuant to Rule 211 of the Commission's Rules of Practice and Procedure, 18 CFR Part 385, and, pursuant to Rule 214, moves for intervention in this proceeding. In support of this pleading, Vernon states to the Commission as follows:

- 1. Vernon is a municipal corporation organized and existing pursuant to the laws of the State of California. Vernon owns and operates a system for the generation, purchase, transmission, distribution, and sale of electric capacity and energy within its community. Vernon is a partial requirements wholesale electric power customer of Southern California Edison Company.
- 2. The exact name and post office address of Vernon are as follows:

City of Vernon
City Hall
4305 Santa Fe Avenue
Vernon, California 90058

Vernon's designations for inclusion of representatives in the Commission's official service list, pursuant to Rules 203(b)(3) and 2010, are as follows:

David B. Brearley, Esq.
City of Vernon City Attorney
2440 South Hacienda Boulevard
Unit 223.
Hacienda Heights, California 91745
Telephone (818) 336-3408

Arnold Fieldman, Esq.
Channing D. Strother, Jr., Esq.
Goldberg, Fieldman & Letham, P.C.
1100 Fifteenth Street, N.W.
Suite 200
Washington, D.C. 20005
Telephone (202) 463-8300

Vernon requests, in addition, that courtesy copies of documents be provided to:

Mr. Kenneth DeDario Director of Light & Power City of Vernon City Hall 4305 Santa Fe Avenue Vernon, California 90058 Telephone (213) 583-8811

- 3. Vernon is a participant in the California-Oregon Transmission Project ("COTP") with a transfer entitlement of approximately 7.6% (an estimated 121 MW) thereof and an 8.053% ownership interest.
- 4. This proceeding is on a tender for filing by Pacific Gas and Electric Company ("PG&E") of a proposed rate schedule for interconnection of the COTP and PG&E's electric system.
- 5. As a COTP participant, Vernon has an interest in the proceeding. Because Vernon's situation is in substantial respects different from that of the other COTP participants (e.g., Vernon is the on's COTP participant located south of the southern terminus of COTP), Vernon's interest in the proceeding is unique and cannot be adequately represented by any other COTP participant or other entity.

6. Vernon's Washington, D.C. counsel was able only in recent days to obtain a copy of the filing in this docket. The scope of the proposed rate schedule and of the proffered evidentiary support thereof is extremely complex. Vernon has not had adequate opportunity for a complete review of the filing and therefore cannot now state the specific bases for its objections thereto. If is obvious, however, that in view of the complexity of the factual presentation of the filing and of the governing principles of law and regulatory policy, an evidentiary hearing should be instituted by the Commission to explore into the filing. Accordingly, Vernon protests the filing and recommends that the Commission establish hearing procedures thereon.

WHEREFORE, in view of all the foregoing, Vernon respectfully protests the filing, requests that the Commission establish procedures for an evidentiary hearing thereon, and seeks intervention in the proceeding.

Respectfully submitted,

David B. Brearley City of Vernon, City Attorney 2440 South Hacienda Boulevard Unit 223 Hacienda Heights, CA 91745

Telephone (818) 336-3408

Arnold Fieldman

Channing D. Strother, Jr. Goldberg, Fieldman & Letham, P.C. 1100 Fifteenth Street, N.W.

Washing+-on, D.C. 20005 Telephone (202) 463-8300

Attorneys for City of Vernon

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing document upon the participants in this proceeding in accordance with the requirements of Rule 2010 of the Rules of Practice and Procedure.

Dated at Washington, D.C. this 29th day of June, 1992.

Arnold Rieldman

UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

Southern California Edison Company	.)		
Pacific Gas and Electric Company)		
and)	Docket No.	ER92-626-000
San Diego Gas & Electric Company)		

. .

PROTEST AND MOTION TO INTERVENE OF CITY OF VERNON

The City of Vernon, California ("Vernon") protests the rate schedule filing in this docket pursuant to Rule 211 of the Commission's Rules of Practice and Procedure, 18 CFR Part 385, and, pursuant to Rule 214, moves for intervention in this proceeding. In support of this pleading, Vernon states to the Commission as follows:

- 1. Vernon is a municipal corporation organized and existing pursuant to the laws of the State of California. Vernon **owns** and **operates** a system for the generation, purchase, transmission, distribution, and sale of electric capacity and energy within its community. Vernon is a partial requirements wholesale electric power customer of Southern California Edison Company ("Edison").
- 2. The exact name and post office address of Vernon are as follows:

City of Vernon
City Hall
4305 Santa Fe Avenue
Vernon, California 90058

Vernon's designations for inclusion of representatives in the Commission's official service list, pursuant to Rules 203(b)(3) and 2010, are as follows:

David B. Brearley, Esq.
City of Vernon City Attorney
2440 South Hacienda Boulevard
Unit 223
Hacienda Heights, California 91745
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Arnold Fieldman, Esq.
Channing D. Strother, Jr., Esq.
Goldberg, Fieldman & Letham, P.C.
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Suite 200
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Vernon requests, in addition, that courtesy copies of documents be provided to:

Mr. Kenneth DeDario Director of Light & Power City of Vernon City Hall 4305 Santa Fe Avenue Vernon, California 90058 Telephone (213) 583-8811

- 3. Vernon is a participant in the California-Oregon Transmission Project ("COTP") with a transfer entitlement of approximately 7.6% (an estimated 121 MW) thereof and an 8.053% ownership interest.
- 4. This proceeding is on a tender €or filing by Edison,
 Pacific Gas and Electric Company, and San Diego Gas & Electric
 Company of a proposed rate schedule for coordinated operation of certain facilities by the three companies and the COTP.
- 5. As a COTP participant, Vernon has an interest in the proceeding. Because Vernon's situation is in substantial respects different from that of the other COTP participants (e.g., Vernon is the only COTP participant located south of the southern terminus of COTP), Vernon's interest in the proceeding is unique and cannot be adequately represented by any other COTP partici-

pant or other entity.

6. Vernon's Washington, D.C. counsel was able only in recent days to obtain a copy of the filing in this docket. The scope of the proposed rate schedule and of the proffered evidentiary support thereof is extremely complex. Vernon has not had adequate opportunity for a complete review of the filing and therefore cannot now state the specific bases for its objections thereto. If is obvious, however, that in view of the complexity of the factual presentation of the filing and of the governing principles of law and regulatory policy, an evidentiary hearing should be instituted by the Commission to explore into the filing. Accordingly, Vernon protests the filing and recommends that the Commission establish hearing procedures thereon.

WHEREFORE, in view of all the foregoing, Vernon respectfully protests the filing, requests that the Commission establish procedures for an evidentiary hearing thereon, and seeks intervention in the proceeding.

Respectfully submitted,

David B. Brearley City of Vernon, City Attorney 2440 South Hacienda Boulevard

Unit 223

Hacienda Heights, CA 91745 Telephone (818) 336-3408

Arnold Fieldman

Channing D. Strother, Jr.

Goldberg, Fieldman & Letham, P.C.

1100 Fifteenth Street, N.W. Washington, D.C. 20005

Telephone (202) 463-8300

Attorneys for City of Vernon

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing document upon the participants in this proceeding in accordance with the requirements of Rule 2010 of the Rules of Practice and Procedure.

Dated at Washington, D.C. this 29th day of June, 1992.

Arnold Fieldman

UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

Pacific Gas & Electric Company) Docket No. ER92-596-000

MOTION TO INTERVENE OF THE NORTHERN CALIFORNIA POWER AGENCY

Pursuant to Rules 212 and 214 of the Commission's Rules of Practice and Procedure, the Northern California Power Agency ("NCPA") hereby moves to intervene in the above-captioned docket. On behalf of this motion, NCPA further states as follows:

I.

Communications regarding this Motion should be addressed to:

Mr. Michael McDonald Northern California Power Agency 180 Cirby Way Roseville, CA 95678

Robert C. McDiarmid, Esq. Lisa G. Dowden, Esq. Spiegel & McDiarmid 1350 New York Avenue, N.W. Suite 1100 Washington, D.C. 20005-4798

II.

NCPA

NCPA is a public agency engaged in the generation and transmission of electric power and energy. NCPA was created by a joint powers agreement dated July 19, 1968, as amended, entered pursuant to Charger 5, Division 7, Title 1 of the California Government Code commencing with Section 6500 by the Cities of

Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto,, Redding, Roseville, Santa Clara, and Ukiah, and by the Plumas-Sierra Rural Electric Cooperative. The Turlock Irrigation District and the Truckee-Donner Utility District subsequently became members of NCPA.

NCPA seeks intervention on behalf of those ten NCPA

Member Customers who are signatories to the Interconnection

Agreement with PG&E ("the IA"). The Interconnection Agreement

among NCPA, its member Cities of Alameda, Biggs, Gridley,

Healdsburg, Lodi, Lompoc, Palo Alto, Roseville and Ukiah, and the

Plumas-Sierra Rural Electric Cooperative, and PG&E was accepted

by this Commission by order of September 14, 1983, in Docket No.

ER83-683-000. It was amended by a settlement agreement accepted

by the Commission by order of May 12, 1992, in Docket Nos.

EL89-34, ER90-355, et al. The IA is currently on file as PG&E

FERC Rate Schedule No. 142.

III.

BASIS FOR INTERVENTION

NCPA is an intervenor in several other dockets addressing matters related to the California-Oregon Transmission Project ("COTP"). NCPA's interconnected member-customers are all participants in the Transmission Agency of Northern California (TANC) Joint Powers Agency, and most are participants in the COTP. Although NCPA and its member-customers do not intend or desire to take service under the rate schedule filed in this

docket, NCPA member-customers might have to take service under this rate schedule if the separate agreement negotiated between PG&E arid NCPA is not put into effect. NCPA and PG&E have reached agreement on certain terms under which PG&E will provide NCPA with Firm Transmission Service related to COTP under the PG&E/NCPA IA, in lieu of providing CTS service to NCPA member-customers through TANC. This separate agreement represents the service NCPA desires. This agreement was recently filed with the FERC as Docket No. ER92-643-000, though it has not yet been acted upon by the Commission. NCPA thus has an interest in proceedings which is not represented by any other party. NCPA's participation is in the public interest.

IV.

STATEMENT OF POSITION

As an initial matter, NCPA takes issue with certain broad statements made by PG&E in its filing which NCPA believes mischaracterize the NCPA/PG&E IA. For instance, in its cover letter accompanying this filing,&/ PG&E states that,

The type of service that PG&E will provide under [this filing] is much broader and more flexible than the service PG&E provides under the Interconnection Agreements or under the SOTP. The transmission service under the Interconnection Agreements is more specific, point-to-point service, while the service under the TRS will be true system service ...

^{1/} Cover letter at p. 6.

These statements are not testimony (Exh. ___ (RJG-1)) at page 9. These statements are not accurate with reference to the NCPA/PG&E IA. The IA is structured so that PG&E transmits power, dispatched based on NCPA's coincident load, to a set of multiple Delivery Points from a sat of multiple Points of Receipt.2/ In that manner it enables NCPA to dispatch its resources in a flexible and efficient manner to meet the constantly changing loads of its members. NCPA wishes to note for the record its disagreement with PG&E's characterization.

As stated above, NCPA does not intend or desire to take service under the rate schedule filed in this docket because it has negotiated a separate agreement with PG&E whereby Firm Transmission Service related to COTP will be provided to NCPA's member-customers pursuant to IA.3/ However, that separate agreement has not yet been accepted by the Commission. NCPA must also consider the possibility that it may in the future increase its member-customers' share of the COTP, through lay-offs from other TANC members or other COTP participants. PG&E and NCPA have agreed that nominal increases are covered under the separate NCPA/PG&E agreement, but if this does not occur for any reason,

^{2/} See, Exh. 3.6.4 of the IA.

^{3/} NCPA believes that the references to NCPA and its individual member-customers in this rate schedule do not imply or require that NCPA or its member-customers are subject to this rate schedule. In particular, Sections 3.9 and 4.1 of this rate schedule are inconsistent with NCPA operations under the NCPA IA.

there could be instances where NCPA member-customers must take service under this rate schedule. Accordingly, there are some issues which NCPA wishes to address both related to its ability to do business with other TANC members and in the event that it may someday be required to use this service.

PG&E has proposed a rolled-in rate of \$1.71 per kwmonth. Tho rolled in rate methodology is, of course, a departure from the subfunctionalized transmission rate methodology which PG&E has used historically in its interconnection agreements with NCPA and other entities in northern California. Subfunctionalization is a rate design method that allocates transmission system costs according to the function of the various transmission facilities. There are five transmission functions. Of these, four, system interconnection, generation tie, backbone and area facilities nay be charged to NCPA under the IA. On the basis of this rate design it is possible for PG&E to charge NCPA and other customers rates that take into account those transmission functions the customer has contributed itself. For example, the COTP will allow NCPA members who are TANC members to import, export and exchange power between PG&E's control area and the Pacific Northwest without regard to the generation tie function. In addition, members have built facilities to bypass other subfunctions such as area. PG&E's rolled in rate in this rate schedule will not recognize the contributions NCPA has made to the overall system by construction of these facilities. For this reason, NCPA objects to PG&E's

proposed rolled in rates as being unjust and unreasonable given that at this time it cannot be said NCPA members will-never be required to take service under this rate schedule.

Furthermore, to the extent other TANC members have invested in transmission facilities, whose contribution will not be recognized by rolled-in rates, NCPA objects to the impact such unjust and unreasonable rates will have on transactions, that would otherwise be sought by TANC members with NCPA. The resulting disincentive will serve to discourage transactions in an anti-competitive manner.

under this rate schedule, it has not attempted to identify every provision of the filing which may conflict with provisions in the NCPA IA, or which would be unjust and unreasonable if applied to NCPA. However, NCPA does not vaive its right to raise such objections at the appropriate time in this proceeding. NCPA adopts by reference the concerns raised by TANC in its motion to intervene in this docket.

A provision of particular concern includes Section 7.9, which would permit PG&E to terminate the rate schedule if the Commission were to find any provision of the rate schedule unjust and unreasonable (after being made effective and not subject to refund) or if the Commission modifies a provision so that PG&E would be required to incur any obligation not previously specified in the rate schedule. This self-destruct clause appears to be an attempt to usurp the Commission's statutory

authority under section 205 of the Federal Power Act, and also to cut off the Section 206 rights of any party receiving service under the rate schedule. Any customer filing a Section 206 complaint after the rate schedule is in effect and not subject to refund would be faced with a dilemma. If the customer won its case for some modification of the rate schedule, PG&E could simply terminate the rate schedule if it so desired, rather than implement the relief ordered by the Commission,

This provision is unjust and unreasonable. While it would clearly not be binding on the Commission, it could, if permitted to be implemented, jeopardize the Section 206 rights of customers receiving service. Parties to an agreement may contract not to file Section 206 complaints, but should not be subjected to such a requirement in a unilaterally imposed rate schedule. The Commission has previously held a similar provision to be unjust and unreasonable, pacific Gas & Electric Company, 53 F.E.R.C. ¶ 61,146, at 61,536-7 (1990). This provision also appears to be a violation of PG&E's Diablo Canyon License Conditions, as interpreted by the Nuclear Regulatory Commission. Pacific Gas & Electric Company, 31 N.R.C. 595, 602 (1990).

NCPA also notes that the loss factor of 4.99 % specified under Appendix B of this rate schedule is not only high, and lacking justification, but is apparently intended to be combined with the time of use loss factors filed in Appendix D of the coordinated operations "agreement" filed by Southern California Edison, San Diego Gas & Electric and PG&E in Docket no. ER92-626.

The resulting combined loss factors could require TANC members to pay losses of almost 10 % on some transactions.

NCPA supports TANC's requests for relief, in TANC's interrention in this proceeding, and also supports TANC's motion to consolidate this docket with docket nos. ER92-626-000, ER92-595-000, EL92-26-000 and EL92-32-000.

WHEREFORE, NCPA respectfully moves for the reasons detailed above €or intervention in the above-captioned docket,

Respectfully submitted,

Robert C. McDiarmid

Lisa G. Dowden

Attorneys for the Northern California Power Agency

Law Offices of:
Spiegel & McDiarmid
1350 New York Avenue, N.W.
Suite 1100
Washington, D.C. 20005-4798
202-879-4000

Dated: June 29, 1992

CERTIFICATE OF SERVICE

I hereby certify that I have this 29th day of June 1992, caused the foregoing document to be sent by first-class mail to all parties in this proceeding.

Lisa G. Dowden

Law Jffices of:
Spiegel & McDiarmid
1350 New York Avenue, N.W., Suite 1100
Washington, D.C. 20005-4798
202-879-4000

UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

Southern California Edison Company) Docket No, ER92 626-000

MOTION TO INTERVENE OF THE NORTHERN CALIFORNIA POWER AGENCY

Pursuant to Rules 212 and 214 of the Commission's Rules of Practice and Procedure, the Northern California Power Agency ("NCPA") hereby moves to intervene in the above-captioned docket, On behalf of this motion, NCPA further states as follows:

I.

Communications regarding this Motion should be addressed to:

Mr. Michael McDonald Northern California Power Agency 180 Cirby way Roseville, CA 95478

Robert C. McDiarmid, Esq. Lisa G. Dowden, Esq. Spiegel & McDiarmid 1350 New York Avenue, N.W. Suits 1100 Washington, D.C. 20005-

II.

NCPA

NCPA is a public agency engaged in the generation and transmission of electric power and energy. NCPA was created by a joint powers agreement dated July 19, 1968, as amended, entered pursuant to Chapter 5, Division 7, Title 1 of the California Government Code commencing with Section 6500 by the Cities of

Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, and Ukiah, and by the Plumas-Sierra Rural-Electric Cooperative. The Turlock Irrigation District and the Truckee-Donner Utility District subsequently became members of NCPA.

NCPA seeks intervention on behalf of those ten NCPA

Member Customers who are signatories to the Interconnection

Agreement with PG&E ("the IA"). The Interconnection Agreement

among NCPA, its member Cities of Alameda, Biggs, Gridley,

Healdsburg, Lodi, Lompoc, Palo Alto, Roseville and Ukiah, and the

Plumas-Sierra Rural Electric Cooperative, and PG&E was accepted

by this Commission by order of September 14, 1983, in Docket No,

ER83-683-000. It was amended by a settlement agreement accepted

by the Commission by order of May 12, 1992, in Docket Nos.

EL89-34, ER90-355, et al. The IA is currently on file as PG&E

FERC Rate Schedule No. 142.

III.

BASIS FOR INTERVENTION

NCPA is an intervenor in several other dockets addressing matters related to the California-Oregon Transmission Project ("COTP"). NCPA's interconnected member-customers are all participants in the Transmission Agency of Northern California Joint Powers Agency, and most are participants in the COTP. The rates, terms and conditions eventually adopted to govern the COT Project's interconnection ard coordinated operation with the

-3-

Pacific Intertie will thus impact NCPA's member customers. In addition, there are terms in the NCPA/PG&E filing in docket no. ER92-643-000 (terms and conditions by which NCPA will receive COIP related Firm Transmission Service under the IA), which are left to be decided by the Commission in the instant docket. NCPA thus has an interest in proceedings which may define such terms which is not represented by any other party. NCPA's participation is in the public interest.

IV.

POSITION

NCPA supports the position taken by TANC in this docket and adopts M e points raised in TANC's motion to intervene by reference. However, NCPA wishes to address several points which are of special concern to NCPA. The issues discussed herein are not exhaustive. NCPA may not have identified all the terms in the COA which are unjust or unreasonable or inconsistent with the NCPA/PG&E IA. NCPA reserves the right to raise further concerns at the appropriate point in this proceeding.

NCPA is concerned that the COA filing purports to limit use of the COTP to imports and exports of power to and from the Northwest. 1/ In fact, the TANC participants contemplated a variety of uses of the COTP, including transactions at Captain Jack, Olinda, Tracy, and Tesla substations. However, the Companies appear to be trying to limit the uses TANC members can

^{1/} SCE Filing Letter at 1, COA at 2.4.

make of the transmission facilities they own. NCPA member-. customers anticipated making much more flexible use of the COTP, (as they can make flexible use of the service available under the IA) and are unwilling to accept these restrictions or its use.

The COA also purports to impose restrictions and obligations not only upon TANC, but upon TANC members, including NCPA member-customers. While it is not at all clear that such obligations may properly be imposed on TANC members for a service provided to TANC, these obligations are not necessarily consistent with similar obligations contained in the NCPA/PG&E The COA seeks to impose obligations regarding protective IA. devices (8.3.4), inspection rights (8.3.5), voltage control and reactive support (8.3.7), removal of facilities (8.3.9), payment (13) and liability (17), among others. Many of these issues are already covered under the NCPA/PG&E IA, and it must be clearly understood that the terms in the COA cannot alter the obligations of the parties to the IA. Furthermore, there is no reason for the COA to impose different obligations where TANC members already have negotiated the proper handling of these issue under their individual IAs.

Another example of such a provision is found in section 11.2 of the COA, which provides that the available transfer capacity to transmit power over the COB could be determined to be reduced during periods with "total northern California hydroelectric gene, ation output exceeding 90 % of the maximum level". This provision would apparently allow PG&E to curtail

the Intertie if hydro generation was running 'at over 90 %, a condition which is not uncommon. The COA would not even limit such curtailment to times when hydro spill was occurring. The NCPA IA contains no such provisions allowing PG&E to curtail NCPA resources under such circumstances, and PG&E should not be allowed to impose such a condition here.

Appendix C of the COA introduces a new system of loss factors which NCPA has not seen before in California. factors are particularly significant because the separate agreement for COTP-related Firm Transmission Service between NCPA and PG&E referenced above (Docket no. ER92-643-000) specifically binds NCPA to pay the loss factors determined by the Commission in this docket no. ER92-626-000. 2/ The COA presents what appears to be a time-of-use array of loss factors, which apply depending on what time of the day particular transactions occur. The Companies have not provided any sufficient justification for this departure from customary loss factors or for the levels of these loss factors, Since the loss factors under this COA are apparently intended to be applied in addition to the 4.99 % loss factor under the COTP Transmission Service Rate Schedule (Docket no. ER92-596-000) which PG&E filed for TANC, TANC members taking service under both might be required to pay loss factors as high as almost PO %.

^{2/} See PG&E filing in Docket No. ER92-643-000, Attachment 3,
(Exhibit IXI.4, Table of Limitations and Qualifications,
Paragraph 11.4).

The companies also appear to be using the COA to advance the notion of contract path transmission service, to replace the subfunctionalized rates which have historically been used in Northern California. Section 8.4.1 of the COA purports to limit the right of TANC members to schedule power on their own COTP project line to those entities which have "established associated Contract Paths for delivery of the power so scheduled . . . Contract Path is a defined COA term encompassing the right to transmit electric power between two Electric System locations (Section 4.9). NCPA objects to the "Contract Path" terminology for two reasons. First, the limitation in Section 8.4.1 appears to give the companies the ability to prevent TANC members from using the COTP by refusing to agree to arrangements for any associated transmission service that may be necessary for a particular transaction. Second, the notion of contract path service, as opposed to system service, is not a characteristic of the NCPA IA. As stated above, NCPA has a separate arrangement with PG&E whereby it will receive Firm Transmission Service associated with the COTP under the NCPA IA (FERC docket no. ER92-643-000). NCPA trusts that the "contract path" requirement will not be used to require NCPA to obtain additional service outside the IA as a precondition for scheduling the COTP shares of its member-customers.

Section 9 of the COA purports to establish procedures for determining the initial rating of the COTP in both directions. It is not clear that the procedure for establishing

capacity allocation is appropriate or that the TANC members should be treated as "on the margin", .

Finally, Sections 6.1 and 6.2 of this Coordinated Operations "Agreement' seem to condition the effective date and continued operation of the COA on the existence of an interconnection "agreement" between the parties, which presumably refers to the COTP Interconnection Rate Schedule (CIRS) filed by PG&E in docket no. ER92-595-000. The CIRS contains numerous objectionable provisions which NCPA will address in its intervention in that docket. In addition, Section 6.2 states that the continuation of the COA is conditioned on the continued existence of separate agreements not part of this docket, including the Western EHV Contract and an agreement among the Companies and Pacific Power & Light Company. The Western EHV agreement can be terminated on as little as one year's notice, Both these agreements expire by their own terms long before 2033, the term set for this COA in section 6.2. NCPA believes that these termination provisions are unjust and unreasonable.

NCPA supports the intervention and requests €or relief submitted by TANC in this docket, NCPA further supports the motion by TANC to consolidate this docket with the proceedings in docket nos. ER92-595-000, ER92-596-000, EL92-26-000 and EL92-32-000.

WHEREFORE, NCPA respectfully moves for the reasons detailed above for intervention in the above-captioned docket.

Respectfully submitted,

Robert C. McDiarmi Lisa G. Dowden

Attorneys for the Northern California Power Agency

June 29, 1992

Law Offices of:
Spiegel & McDiarmid 1350 New York Avenue, N.W. Suits 1100 20005-4798 Washington, D.C. 202-873-4000

. CERTIFICATE OF SERVICE

I hereby certify that I have this 29th day of June, 1992, caused the **foregoing** document to be sent by first-class mail to all parties in this proceeding.

Lisa G. Dowden

Law Offices of:,
Spiegel & McDiarmid
1350 New York Avenue, N.W., Suite 1100
Washington, D.C. 20005-4798
202-879-4000

UNITED STATES OF AMERICA

BEFORE THE

FEDERAL ENERGY REGULATORY COMMISSION

(ECEIVED

PACIFIC GAS AND ELECTRIC COMPANY

Docket No. ER92-595-000

MOTION TO INTERVENE BY THE DEPARTMENT OF WATER RESOURCES OF THE STATE OF CALIFORNIA

DANIEL E. LUNGREN Attorney General

WALTER E. WNDERLICH Acting Assistant Attorney General

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1515 K Street, Suite 511 P.O. Box 944255 Sacramento, California 94244-2550 Telephoner (916) 324-5347

Attorneys for the California Department of Water Resources

UNITED STATES OF AMERICA

BEFORE THE

FEDERAL ENERGY REGULATORY COMMXSSION

FACIFIC GAS AND ELECTRIC COMPANY	et No.	ER92-595-000

<u>INTRODUCTION</u>

The Department of Water Resources of the State of California ("Department") seeks leave of the Federal Energy Regulatory Commission ("Commission") to intervene in the above-entitled proceeding. The Department files this motion pursuant to Section 308 of the Federal Power Act (16 U.S.C., \$ 825g(a)) and Rules 211 and 214 of the Commission's Rules of Practice and. Procedure (18 C.F.R. \$\$ 385.211, 385.214).

The persons to whom correspondence, pleadings and other papers regarding this proceeding should be addressed and the persons whose names are to be placed on the Commission's official service list, are designated as follows pursuant to Rule 203:

MARK J. URBAN
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1515 K Street, Suite 511
P. O. Box 944255
Sacramento, California 94244-2550
(Telephoner 916/324-5347)

DAN HERDOCIA

Energy Division
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(Telephone: 916/322-3802)

DAVID L. RAY Staff Counsel Department of Water Resources 1416 9th Street, Room 1118-19 Sacramento, California 95814 (Telephone: 916/653-7604)

The address of the Department is P.O. Box 942836, Sacramento, California 94236-0001.

HE DEPARTMENT'S POWER [(

The Department is an agency of the State of California. It is responsible for monitoring, conserving and developing California's water resources and providing public safety and preventing property damage related to water resources. A primary responsibility of the Department is the construction, operation, and maintenance of the California State Water Project ("SWP"). The SWP is an integrated network of aqueducts, reservoirs and hydroelectric facilities which delivers water to much of California.

The SWP is the single largest power consumer in California. The Department provides power for operating the SWP from generation facilities owned by the Department and from purchases and exchanges with utilities in California, the Pacific Northwest, and the Pacific Southwest.

The Department is dependent upon Pacific Gas and Electric Company (PG&E) and Southern California (SCE)

loads. Under the April 1982 Comprehensive Agreement between the Department and PG&E (PERC Rate Schedule No. 77), the Department contracts for transmission services to operate the SWP in Northern and Central California. The Department has also arranged for long-term transmission service through its 1967 EHV Contract with PG&E, SCE and San Diego Gas and Electric Company (FERC Rate Schedule No. 84) which provides 300 MW of entitlement on the Pacific AC Intertie. In addition, the Department has an option for future ownership of the California Oregon Transmission Project (COTP).

INTEREST OF DEPARTMENT IN THIS PROCEEDING

Section 308 of the Federal Power Act establishes the Commission's general authority to admit intervenors as parties to Commission proceedings. The Section provides, in pertinent part:

Commission, in accordance with such rules and regulations as it may prescribe, may admit as a party any interested State, State

Commission, municipality, or any representative of interested consumers or security holders, or any competitor of a party to such proceeding, or any other person whose participation in the proceeding may be in the public interest.

Rule 214 of the Commission's Rules of Practice and procedure set forth the Commission's criteria for intervention under Section 308 of the Act. According to that rule, a timely filed motion to intervene need only show that "[t]he movant has or represents an interest which may be directly affected by the outcome of the proceeding." (18 C.F.R. § 385.214(b).)

PG&E initiated this proceeding by filing a "Rate Schedule for the Interconnection of the California-Oregon Transmission Project (COTP) and the PG&E Electric System." The filing sets forth the rates, terms and conditions for interconnection of COTP and the PG&E system and for coordination of the PG&E system with COTP.

The Department has an option for future ownership of COTP and, thus, has an interest in any rates, terms and conditions affecting the operation of COTP. In addition, as an interconnect ed electrical system with significant loads and resources in northern California and contractual rights on the PG&E system, the Department has an interest in any proceeding that could affect the performance of the PG&E electrical transmission network.

CONCLUSION

The Department's participation in this case will be in the public interest. The Department's interest may be affected by this proceeding and will not be adequately represented by any other party. Although the Department has not completed its review of this complex filing, it reserves the right to raise any issue that may develop during the course of this proceeding.

Accordingly, the Department hereby requests that this Commission enter an order granting this Motion to Intervene.

Dated: June 17, 1992

DANIEL E. LUNGREN, Attorney General of the State of California
WALTER E. WUNDERLICH
Acting Assistant Attorney General
MARK J. URBAN
Deputy Attorney General

MARK J. URBAN

Deputy Attorney General

Attorneys €or the California Department of Water Resources

DECLARATION OF SBRVICE BY MAIL

Case Name: Pacific Gas & Electric Company
Docket No: FERC Proceeding No. ER92-595-000

- 1. I declare that I am employed in the County of Sacramento, California; that I am 18 years of age or older and not a party to the within entitled cause; that my business address is 1515 K Street, P.O. Box 944255, Sacramento, California 94244-2550.
- 2. I am readily familiar with the business practice of the California Department of Justice, Office of the Attorney General for collection and processing of correspondence for mailing with the United States Postal Service; the correspondence will be deposited with the United States Postal Service this same day in the ordinary course of business.
- 3. On June 17, 1992, following the ordinary business practice, I served the attached: MOTION TO INTERVENE BY THE DEPARTMENT OF WATER RESOURCES OF THE STATE OF CALIFORNIA in said cause by placing a true copy thereof enclosed in a sealed, postage prepaid envelope in the mailroom of the California Department of Justice, Office of the Attorney General for collection and mailing in Sacramento, California, addressed as follows:

SEE ATTACHED SERVICE LIST

I declare under penalty of perjury that the foregoing is true and correct.

Executed on June 17, 1992, at Sacramento, California.

Mark J. Urban (Typed Name) Mar Ulla

Peter Arth, Jr., General Counsel, California Public Utilities Comm. State Building, Room 5138 505 Van Ness Avenue San Francisco, CA 94102

United States Dept. of Energy Western Area Power Adm. Area Manager 1825 Bell St., Ste. 105 Sacramento, CA 95825

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San Diego Gas & Electric Co. Senior Vice President, Electric Operations 101 Ash St., (92101) P.O. Box 1831 San Diego, CA 92112

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UNITED STATES OF AMERICA FEDERAL ENERGY REGULATORY COMMISSION

Pacific Gas and Electric Company) Docket No. ER92-595-000

NOTICE OF FILING

(June 5, 1992)

Take notice that on June 1, 1952, Pacific Gas and Electric Company (PGLE) tendered for filing a Rate Schedule For the Interconnection of the California-Oregon Transmission Project (COTP) and the PGLE Electric System. This rate schedule sets forth the rates, terms and conditions under which PGLE offers to the owners of the COTP to interconnect that transmission facility with the PGLE electric system and to operate its system in parallel with the COTP.

Copies of this filing have been mailed to the owners of the COTP; the United States Department of Energy, Western Area Power Administration; the Carmichael Water District; the City of Vernon, California: the San Juan Suburban Water District: the Shasta Dam Area Public Utility District; the Southern Sal Joaquin Valley Power Authority: and the Transmission Agency of Northern California, including the following of its members: the California cities of Alameda, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara and Ukiah, the Modesto Irrigation District, the Plumas-Sierra Rural Electric Cooperative, the Sacramento Municipal Utility District and the Turlock Irrigation District: and to the California Department of Water Resources and the California Public Utilities Commission.

Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Fierpy Regulatory Commission, 825 North Capitol Street, N.E., Washington, D.C. 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 18 CFR 385.214). All such motions or protests should be filed on or before June 19, 1992. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make Protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection,

Lois D. Cashell Secretary

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FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

OFFICIAL BUSINESS



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ER92-595 125784 CITY CLERK LODI. CITY OF (CA) CITY HALL 221 WEST PINE ST. LODI. CA 95243-1910

UNITED STATES OF AMERICA FEDERAL ENERGY REGULATORY COMMISSION

Pacific Gas and Electric Company Docket No. ER92-595-000.)

NOTICE OF EXTENSION OF TIME

(June 18, 1992)

On June 15, 1992, the Transmission Agency of Northern California (TANC) filed a motion for an extension of time to file protests and motions to intervene in response to the Commission's Notice of Filing issued June 5, 1992, in the above-docketed In its motion, TANC states that Pacific Gas and proceeding. Electric Company's (PG&E) filing in this proceeding raises both technical and policy issues which must be reviewed and analyzed in connection with two other PG&E dockets which are closely interrelated. TANC requests that the Commission establish the same due date for interventions for the three interrelated dockets. TANC also states that additional time is needed because of the size and complexity of PG&E's filing in the above-docketed TANC further states that PG&E does not object to the proceeding. motion for additional time and that those TANC members who will be beneficiaries of the services contemplated in PG&E's filing support the motion for additional time.

Upon consideration, notice is hereby given that an extension of time for filing protests and motions to intervene is granted to and including June 29, 1992.

> Lois D. Cashell Secretary

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